



GRAND BANKS YACHTS LIMITED

(Company Reg. No.: 197601189E)

Quarterly update pursuant to Listing Rule 1313 (2)

With effect from 5 December 2011, Grand Banks Yachts Limited (the “Company”) was included on the Watch-List pursuant to Listing Rule 1311.

Pursuant to Listing Rule 1313 (2), the Board of Directors of the Company would like to provide an update of the Company and its subsidiaries (collectively the “Group”) for the quarter ended 31 March 2012 (to be read in conjunction with Sections 8, 9 & 10 of Appendix 7.2 released on 15 May 2012 via SGXNET).

1. Financial Position

The Group’s revenue and cash flow benefited from the successful sale of yacht inventories during the period which also allowed the Group to be cash flow positive. As a result, cash and cash equivalents for the quarter ended 31 March 2012 increased by \$2.1 million to \$21.1 million as compared to the balance as at the beginning of the period. This represents the first time in nearly four years that the Group has generated positive cash flow in two consecutive quarters, which in turn allowed the Group to record positive operating cash flow for the nine months ended 31 March 2012 of \$3.8 million.

2. Future Direction

The Group increased its order book backlog to \$15.9 million as at 31 March 2012, which is more than double the backlog at the beginning of the financial year (1 July 2011).

The Group is self-financed with no bank borrowings and enjoys a strong cash position of \$21.1 million as at 31 March 2012 which represents an increase of \$3.0 million compared to 30 June 2011. Therefore, the Group has embarked on investing in significant upgrades to its product line-up. The proposed launch of three new models in the next twelve months gives us reason to be optimistic about sales for the next financial year.

By Order of the Board

GRAND BANKS YACHTS LIMITED

Peter Kevin Poli
Executive Director
15 May 2012